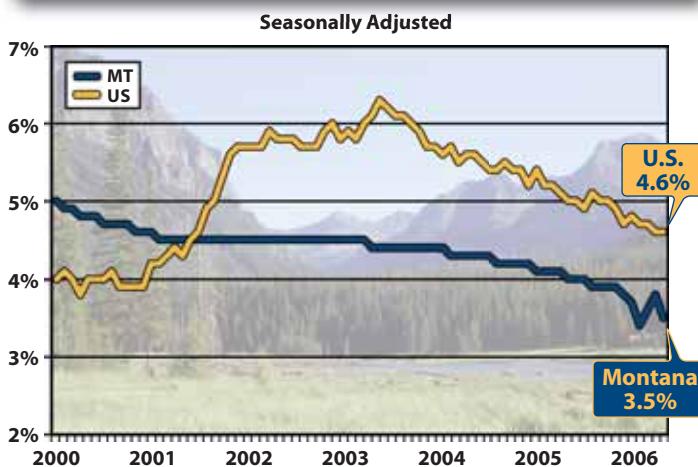


Montana Economy at a Glance



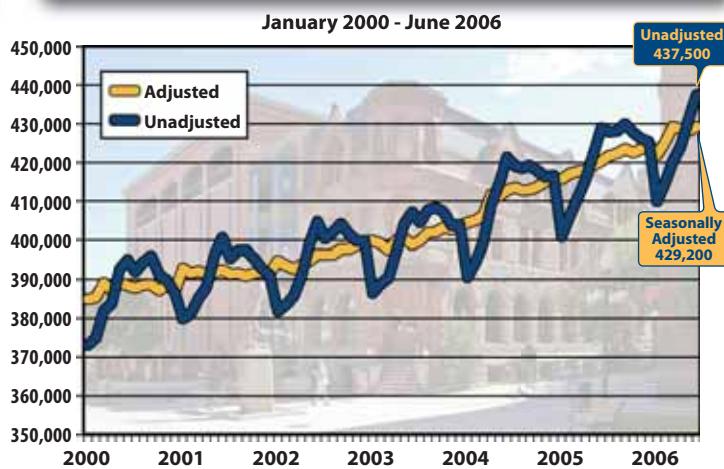
Robert C. Marvin, Editor

UNEMPLOYMENT RATE



Montana's seasonally adjusted unemployment rate dropped to 3.5% in June 2006 from 3.8% in May. The U.S. rate remained steady at 4.6%.

NONFARM EMPLOYMENT



Montana's seasonally adjusted nonagricultural payroll employment showed a total increase of 1,100 jobs (0.3%) over the month for June 2006. The Total Government sector saw the largest gains, adding 600 jobs (0.7%).

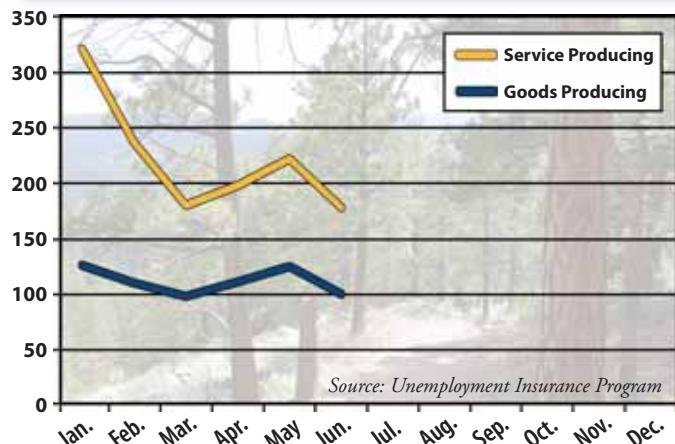
EMPLOYMENT BY INDUSTRY

Industry Employment (in thousands)	June(P) 2006	May 2006	Net Change	Percent Change
Total Non-Agricultural	429.2	428.1	1.1	0.3%
Natural Resources & Mining	8.2	8.2	0.0	0.0%
Construction	29.5	29.7	-0.2	-0.7%
Manufacturing	19.5	19.3	0.2	1.0%
Trade, Transportation, Utilities	88.9	88.9	0.0	0.0%
Information*	7.9	7.7	0.2	2.6%
Financial Activities	22.0	21.8	0.2	0.9%
Professional & Business Services	35.9	35.7	0.2	0.6%
Education & Health Services*	57.2	57.8	-0.6	-1.0%
Leisure & Hospitality	55.5	55.7	-0.2	-0.4%
Other Services*	17.0	16.8	0.2	1.2%
Total Government	87.2	86.6	0.6	0.7%

*These series are not seasonally adjusted

(P) denotes preliminary figures

NEW BUSINESS STARTS



Construction still leads new businesses in June with 31% of the 278 startups. Next highest was Professional and Technical Services with 13%. This sector includes legal, engineering, architectural and consulting services. Flathead and Gallatin each accounted for 14% of total new businesses in June 2006.

Wages for Continuous Single and Multiple Jobholders in Montana

By Tyler Turner & Jamie Queen

What does continuous employment pay individual workers in Montana? This may seem like an easy question to answer; the average annual wage per job was around \$29,000 in 2005. However, this statistic does not measure workers' wages, but rather wage per job, and it includes wages paid to all workers, not just those who remain with the same employer throughout the year. This article will examine the wages of workers in Montana who remained with the same employer throughout 2005, and will compare the number of workers who held one job to those who worked more than one.

Data

Individual wage records are necessary to perform the above-mentioned comparisons. Data were taken from the Unemployment Insurance wage database, which represents quarterly records of all wage and salary jobs in the state.* Quarterly records were then combined to create annual wages for each individual job, which were in turn combined for all individuals holding more than one job during the year to create an annual wage per individual. Only individuals who worked five consecutive quarters and were employed by the same employer were included in the calculations. The results of this analysis are presented below.

Workers Who Remained with a Continuous Employer

Figure One shows the distribution of individual workers' wages in 2005. Also included are the total number of workers, the mean and median wages, and the percentage of total wages earned by the top one percent of the workforce and by the bottom ten percent.

The mean wage for all workers with consistent employment was \$33,991, while the median wage was \$27,389. This difference was expected, given the skewed distribution of wages. A majority of workers (55%) are concentrated below \$30,000, while a number of high wage workers pull the mean wage above \$30,000.

Single Jobholders versus Multiple Jobholders

The Bureau of Labor Statistics has consistently shown that a relatively large percentage of Montana's workforce holds multiple jobs. However, these rankings have never shown which workers in Montana are actually holding more than one job. Previous research has suggested that both low and high wage earners are more likely to hold multiple jobs. However, based on a breakdown of Montana's workforce, this does not appear to be the case.¹

Figure Two shows the distribution of both single and multiple job holders as well as the summary statistics introduced in Figure One. The distribution illustrates that workers with more than one job are more likely than single jobholders to earn less than \$30,000, even with the combined wages from multiple jobs. The mean wage for multiple jobholders was \$27,015, while those holding a single job averaged \$35,833. The number of high wage multiple jobholders is significantly lower than high wage single jobholders. Nearly half of all single job holders make over \$30,000, while only 32% of multiple jobholders earn above this level.

Figure Three examines the issue of multiple jobholders in a different manner, by calculating the percentage of multiple jobholders against the total number of workers in each wage bracket. The percentages are highest in the low wage brackets, where more than 30% of workers earning between \$5,000 and \$15,000 are working more than one job. Overall, 21% of workers who were continuously employed in one job throughout 2005, held at least one other job.

Also of interest is the percentage of total wages accounted for by the top 1% of wage earners and the bottom 10%. The highest earning 1% of single jobholders earned almost 8% of the state's total wages, while the bottom 10% earned 1.5%. The top 1% of multiple jobholders earned a lower percentage of total wages, at 7.2%, while the bottom 10% earned 2.0%.

*Montana Unemployment Insurance records do not include individuals working for the federal government or workers who are self-employed.

Figure 1.

Wage Distribution: Montana employees employed consistently throughout 2005 with at least a single employer

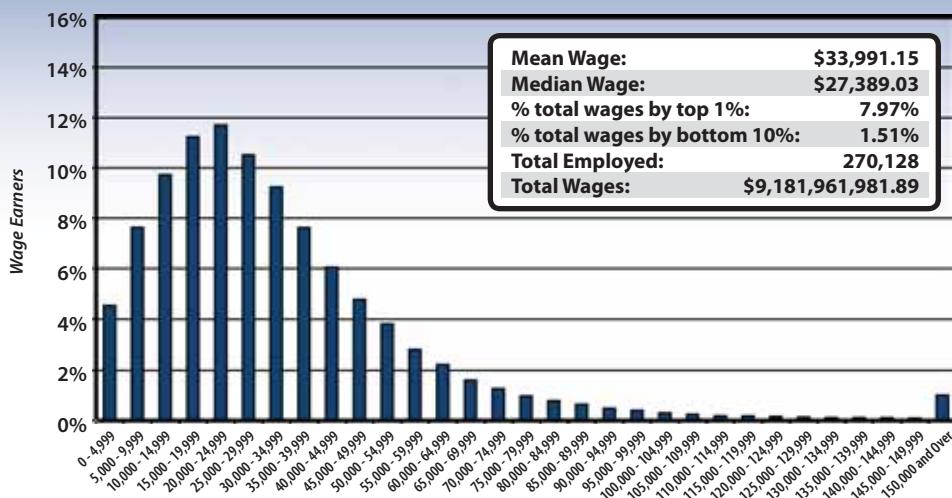


Figure 2.

Wage Distribution: Montana employees employed consistently throughout 2005 with single or multiple employers

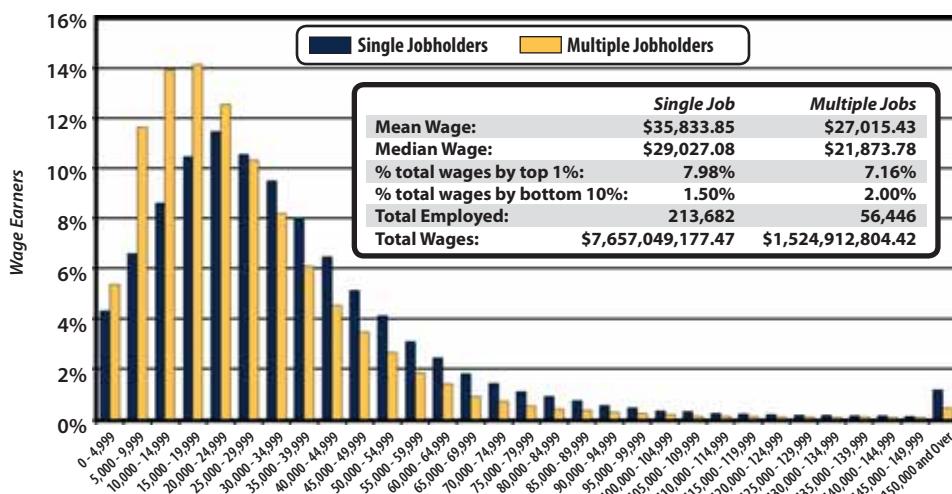
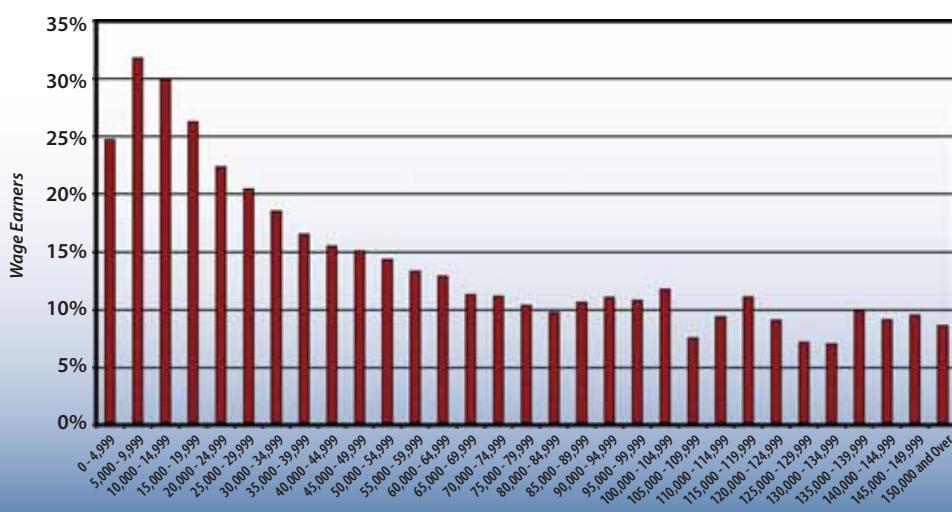


Figure 3.

Wage Distribution: Percentage of workers holding more than one job



Conclusion

An examination of wage distributions and statistics reveals several interesting results for workers in Montana. Although many Montanans choose to work more than one job, those whose earnings are in the lowest wage brackets are more likely to do so. A higher percentage of total wages are concentrated in the lowest 10% of jobholders working multiple jobs relative to those only working one job. This further confirms the higher number of multiple jobholders in low wage brackets, and provides a stronger picture of their overall impact on wages paid in Montana.

Most interestingly, it appears that holding continuous employment with one employer is more likely to result in higher wages than working multiple jobs. The reasons for this are buried in variables not found in this research, such as education level, demographic background, and work experience, but it is important, in that it shows the inability to escape low earnings simply by working more than one job.

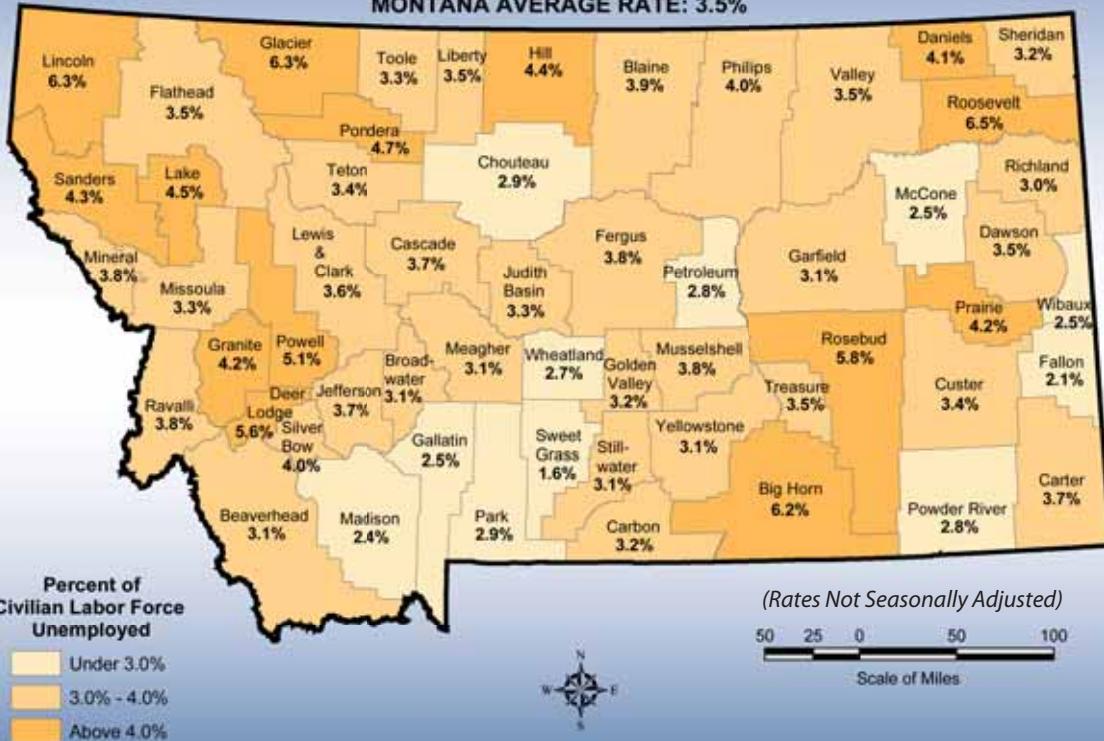
Sources

¹Bowers and Hamrick (1997)
“Nonmetro Multiple Jobholding Rate Higher than Metro,” Rural Conditions and Trends, Vol. 8 No. 2.

MONTANA UNEMPLOYMENT: JUNE 2006

Non-Seasonally Adjusted

MONTANA AVERAGE RATE: 3.5%



Source: MONTANA ANNUAL CIVILIAN LABOR FORCE STATISTICS, Montana Department of Labor and Industry, Research and Analysis Bureau, July 2006. Created by Census & Economic Information Center, Montana Department of Commerce, 301 S. Park Ave., Helena, MT 59620-0505, Phone: 406-441-2740, Email: ceic@mt.gov, Web: <http://ceic.mt.gov>

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